



Massachusetts Hospital
Association

December 30, 2002

Senator Mark Montigny
State House, Room 212
Boston, MA 02133

Representative Nancy Flavin
State House, Room 238
Boston, MA 02133

Dear Chairs Montigny and Flavin:

This report is an important step in exploring new approaches to financing and streamlining the delivery of health care to the residents of this commonwealth. Our health care system is currently in crisis with growing concern over the numbers of our residents without adequate coverage, the adequacy of capacity of the health care system to meet the needs of our aging population, threats of natural and manmade disasters, and the financial instability of many of our institutional providers. The current financing structure is fragmented and administratively complex. The commonwealth urgently must focus on planning and developing solutions to these complicated problems over the next few years. This study provides useful constructs for further analysis.

The Massachusetts Hospital Association has always supported approaches that advance us toward universal access to quality health care for all the commonwealth's residents, but current fiscal realities dictate against comprehensive new programs. The commonwealth should begin an effort of careful planning and development of a phased-in, incremental approach to meet our goals. The immediate, short-run objectives should include:

1. restoring the MassHealth Basic Program for over 50,000 people who will lose health coverage next April unless state government acts quickly;
2. funding the growing shortfall in the uncompensated care pool and reforming the state's safety net for the uninsured; and
3. reducing the administrative burdens on providers and patients that result from inconsistent requirements among payers that add significant cost to the system.

We have appreciated the opportunity to participate on the advisory group for this study and will welcome future discussion as the commonwealth wrestles with solutions to the emerging crisis in health care.

Sincerely,

Robert E. Gibbons
Vice President, Government Advocacy

JTK

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